

May 1, 2003

Dear Fiscal Officer:

Subject: Price and Population Information

Appropriations Limit

The California Revenue and Taxation Code, Section 2227, mandates the Department of Finance (Finance) to transmit an estimate of the percentage change in population to local governments. Each local jurisdiction uses their percentage change in population factor for January 1, 2003, in conjunction with a change in the cost of living, or price factor, to calculate their appropriations limit for fiscal year 2003-04. Enclosure I provides the change in California's per capita personal income and an example for utilizing the price factor and population percentage change factor to calculate the 2003-04 appropriations limit. Enclosure II provides city and unincorporated county population percentage changes, and Enclosure IIA provides county and incorporated areas population percentage changes. The population percentage change data excludes federal and state institutionalized populations and military populations, as noted.

Population Percent Change for Special Districts

Some special districts must establish an annual appropriations limit. Consult the Revenue and Taxation Code, Section 2228, for the various population options available to special districts to assess population change in their district. Article XIII B, Section 9, of the State Constitution exempts certain special districts from the appropriations limit calculation mandate. Special districts required by law to calculate their appropriations limit must present the calculation as part of their annual audit. No State agency reviews the appropriations limit.

Population Certification

The population certification program applies only to cities and counties. Revenue and Taxation Code 11005.6, mandates Finance to automatically certify any population estimate that exceeds the current certified population with the State Controller's Office. **Finance will certify the higher estimate to the State Controller by June 5, 2003.**

Address questions about the price and population data to the Demographic Research Unit at (916) 323-4086.

Sincerely,

STEVE PEACE
Director

May 1, 2003

Enclosure I

- A. **Price Factor:** Article XIII B specifies that local jurisdictions select their cost-of-living factor to compute their appropriation limit by a vote of their governing body. The cost-of-living factor provided here is per capita personal income. If the percentage change in per capita personal income is selected, the percentage change to be used in setting the 2003-2004 appropriation limit is:

Per Capita Personal Income	
Fiscal Year (FY)	Percentage change over prior year
2003-2004	2.31

- B. Following is an example using sample population change and the change in California per capita personal income as growth factors in computing a 2003-2004 appropriation limit.

2003-2004:

Per Capita Change = 2.31 percent

Population Change = 1.69 percent

Per Capita converted to a ratio: $\frac{2.31 + 100}{100} = 1.0231$

Population converted to a ratio: $\frac{1.69 + 100}{100} = 1.0169$

Calculation of factor for FY 2003-2004: $1.0231 \times 1.0169 = 1.0404$

NOTE: Enclosure II is not available in electronic format. A copy is available for review in the Office of the City Clerk.

Enclosure II

Annual Percent Change in Population Minus Exclusions (*)
 January 1, 2002 to January 1, 2003 and Total Population, January 1, 2003

County City	Percent Change 2002-2003	Population Minus Exclusions		Total Population
		1-1-02	1-1-03	1-1-2003
SAN DIEGO				
CARLSBAD	2.93	87,702	90,271	90,271
CHULA VISTA	4.96	189,629	199,038	199,680
CORONADO	0.73	16,462	16,582	26,353
DEL MAR	0.47	4,482	4,503	4,503
EL CAJON	0.49	96,194	96,664	96,664
ENCINITAS	2.37	59,738	61,153	61,153
ESCONDIDO	1.13	136,473	138,015	138,015
IMPERIAL BEACH	0.64	27,441	27,616	27,616
LA MESA	0.44	54,532	54,772	55,688
LEMON GROVE	0.53	25,241	25,374	25,374
NATIONAL CITY	0.55	52,232	52,521	59,774
OCEANSIDE	1.90	166,646	169,805	169,805
POWAY	0.71	49,381	49,732	49,833
SAN DIEGO	1.72	1,233,626	1,254,820	1,275,112
SAN MARCOS	4.87	60,577	63,528	63,528
SANTEE	0.26	52,966	53,106	53,609
SOLANA BEACH	0.73	13,233	13,329	13,329
VISTA	1.11	91,749	92,768	92,768
UNINCORPORATED	1.14	412,957	417,646	458,504
COUNTY TOTAL	1.77	2,831,261	2,881,243	2,961,579

(*) Exclusions include residents on federal military installations and group quarters residents in state mental institutions and state and federal correctional institutions.